

UNITED STATES DISTRICT COURT
for the
Eastern District of Michigan

United States of America

v.

Eric Finch

Case: 2:22-mj-30379

Assigned To : Unassigned

Case No.

Assign. Date : 9/7/2022

Description: CMP USA v. SEALED
MATTER (SO)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of June 2020 through September 2020 in the county of Wayne and elsewhere in the
Eastern District of Michigan, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
18 U.S.C. § 1341	Mail fraud
18 U.S.C. § 1343	Wire fraud
18 U.S.C. § 1028A	Aggravated identity theft

This criminal complaint is based on these facts:

See attached affidavit.

Continued on the attached sheet.



Complainant's signature

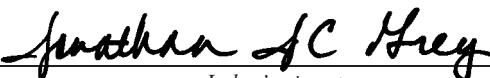
Miguel A. Colon, Special Agent, DOL-OIG

Printed name and title

Sworn to before me and signed in my presence
and/or by reliable electronic means.

Date: September 7, 2022

City and state: Detroit, MI



Judge's signature

Hon. Jonathan J.C. Grey, United States Magistrate Judge

Printed name and title

AFFIDAVIT IN SUPPORT OF A COMPLAINT

I, Miguel A. Colon, being first duly sworn, hereby depose and state as follows:

INTRODUCTION AND AGENT BACKGROUND

1. I am a Special Agent of the U.S. Department of Labor, Office of Inspector General, Office of Investigations - Labor Racketeering and Fraud (“DOL-OIG/OI-LRF”) and have been since December 2017. I am currently assigned to the Federal Bureau of Investigation (“FBI”) Violent Gang Task Force (“VGTF”), where I participate in investigations of street gangs committing various violations of federal law, including weapons and narcotics trafficking, violent crimes, and fraud. Prior to my current assignment, I was assigned to the Homeland Security Investigations’ Document and Benefit Fraud Task Force, where I investigated criminal activity including, but not limited to, identity theft, money laundering, visa fraud and other financial fraud. I have conducted numerous investigations involving identity theft, labor, financial and unemployment insurance fraud schemes. In addition to my experience, I have also received significant law enforcement training, including graduating from the Criminal Investigator Training Program at the Federal Law Enforcement Training Center.

2. As a Special Agent, I have conducted numerous investigations into criminal violations of both Title 29 and Title 18 of the United States Code. During

this time, I have been either the lead agent or supporting agent on several investigations involving criminal schemes targeting the unemployment insurance (“UI”) program through the filing of false or fictitious UI claims. Based on my direct personal experience with these cases, I have become familiar with the methods that criminals use to attack and exploit the UI systems as well as the criminals’ reliance on the use of email and other internet or online tools and systems to facilitate that fraud.

3. Probable cause exists that **Eric FINCH** (DOB: XX-XX-1999) has engaged in an unemployment insurance fraud scheme and has committed mail fraud (18 U.S.C. § 1341), wire fraud (18 U.S.C. § 1343), and aggravated identity theft (18 U.S.C. § 1028A). His scheme involves the filing of fraudulent UI claims through the internet, with some of those claims using misappropriated personal identifying information (“PII”) of real persons, and the withdrawal of fraudulently obtained UI funds at ATMs in the Eastern District of Michigan, often using UI debit cards that were sent through the mail.

4. I make this affidavit based upon personal involvement in the subject criminal investigation, including review of: financial, employment, internet service provider, utility and property records; records from relevant state agencies regarding UI claims; law enforcement surveillances; and information and evidence from search warrants in this investigation. I have also been provided with

information from other law enforcement agents and officials, including agents and officials from the FBI and various State Workforce Agencies. This affidavit does not contain all the facts developed to date in the underlying investigation and is being submitted for the limited purpose of establishing probable cause to secure a criminal complaint and arrest warrant.

UNEMPLOYMENT INSURANCE BACKGROUND

5. The Social Security Act of 1935 initiated the federal and state Unemployment Insurance system. The system provides benefits to individuals who are unemployed for reasons beyond their control. The purpose of the Unemployment Insurance system is twofold: first, to lessen the effects of unemployment through cash payments made directly to laid-off workers, and second, to ensure that life necessities are met on a weekly basis while the worker seeks employment. In the State of Michigan, the Unemployment Insurance system is administered by the Unemployment Insurance Agency (“MUIA”), which is part of the State of Michigan’s Department of Labor and Economic Opportunity. In the State of Arizona, the UI system is administered by the Department of Economic Security (“DES”). In the state of California, the UI system is administered by the Employment Development Department (“EDD”). The U.S. Department of Labor funds many Unemployment Insurance Agency administrative costs, including salaries, office expenses, and computer equipment.

6. State unemployment systems and benefits are joint state and federal enterprises largely financed by taxes on private employers located in that state. In 2020 and 2021, the federal government provided significant supplemental benefits to the states as a result of the COVID-19 pandemic. Beginning in or about March 2020 and continuing through September 4, 2021, the Families First Coronavirus Response Act; Coronavirus Aid, Relief, and Economic Security Act; and the American Rescue Plan Act of 2021 created federal programs that allowed for the significant outlay of federal funds flowing to and through the states to offset the historic need for unemployment benefits by the American workforce, including in the states of Arizona, California and Michigan (and in the Eastern District of Michigan). Collectively, these benefits are often referred to as Pandemic Unemployment Assistance (“PUA”).

7. Normally (in the absence of fraud), an unemployed worker initiates an Unemployment Insurance claim. This can be accomplished by submitting a claim in person, over the telephone, or via the Internet. Currently, most Unemployment Insurance claims in Michigan, California and Arizona are filed online via the Internet through the MUIA, EDD and DES websites. When a claimant using an internet protocol (“IP”) address registered in Michigan files a claim with an out-of-state UI agency, the servers used to process those claims are located outside the state of Michigan. For example, an Arizona or California UI claim filed from an IP

address registered to a Michigan residence will be processed through a server located outside of the state of Michigan.

8. To be eligible for Unemployment Insurance benefits, the worker must demonstrate a certain level of earnings in several quarters immediately preceding the application. The amount of benefits that an Unemployment Insurance claimant might be eligible for depends on a variety of factors, including but not limited to the length of his or her previous employment and the amount of wages he or she earned.

9. The MUIA, EDD or DES will either approve or reject an Unemployment Insurance claim based on the application made by the unemployed worker. If the MUIA, EDD or DES approves an Unemployment Insurance claim, the claimant is required to re-certify the claim via telephone or Internet at various times during the life of the claim. The worker must also certify that he or she is still unemployed and actively seeking work. One way in which unemployment benefits are provided to a claimant is with a debit card, issued by Bank of America (“BOA”), which is mailed to the claimant through the U.S. Postal Service.

10. Alternatively, a claimant can provide the state Unemployment Insurance Agency with a bank routing number and bank account number so his or her Unemployment Insurance benefits can be transferred via electronic funds transfers (“EFTs”) into his or her bank account. These EFTs originate from one or

more accounts maintained by the state Unemployment Insurance Agency at Bank of America, N.A., which is a subsidiary of Bank of America Corporation, a bank holding and financial holding company headquartered in Charlotte, North Carolina. All EFTs of Unemployment Insurance benefits to Michigan, California or Arizona Unemployment Insurance claimants, whether via a BOA-provided debit card or via a claimant-provided bank account, involve the transmission of electronic signals through one of BOA's two data centers, which are located in Virginia and Colorado, and from those data centers to banks and/or ATMs located, for example, in Michigan. In addition, any other state that disperses Unemployment Insurance benefits using BOA prepaid debit cards, including Arizona and California, also involve the transmission of electronic signals through the aforementioned BOA data centers. These are interstate wire communications.

PROBABLE CAUSE

11. The Federal Bureau of Investigation and Department of Labor – Office of Inspector General have been investigating criminal activity conducted by members and associates of the Detroit street gang, "Hungry Boyz." As part of that investigation, I identified Hungry Boyz members, associates, and others who appeared to be engaged in unemployment insurance fraud schemes. Through this investigation, I have probable cause to believe that Eric **FINCH** engaged in an

unemployment insurance fraud scheme that has defrauded multiple states of thousands of federal dollars earmarked for Pandemic Unemployment Assistance.

12. I identified an IP address, 99.49.96.109 (“IP 109”), responsible for submitting approximately 26 UI claims in 23 unique individuals’ names and Social Security Numbers (“SSNs”). I know from my training and my experience in other UI fraud investigations that a large volume of claims from a single IP address with numerous unique individuals’ names and SSN is indicative of fraudulent UI claims. Based on my experience in other UI fraud investigations, the number of UI claims and the number of unique individuals’ names and SSNs here with this single IP address, *i.e.* 109, is a large volume of claims and unique individuals’ names and SSNs, which provides reason to believe the IP address was used to submit, access and/or modify fraudulent UI claims. To date, approximately \$82,053 in UI benefits has been disbursed on claims connected to IP 109.

13. Agents uncovered the 26 claims linked to IP 109 in part through searches of a DOL-OIG database that contains information related to UI applications and benefits paid. A search in that database for claims filed, accessed or modified using IP 109 indicated that IP 109 is associated with (*i.e.*, the IP address was used to file, access and/modify) UI claims in five different states. In addition, a review of the claimant addresses associated with the UI claims filed

from IP 109 revealed that a single residential address, 154XX Eastwood St., Detroit, MI 48205, was listed in 7 of the 26 UI claims. A review of the DOL-OIG database revealed that this address was used in 9 additional UI claims filed in multiple states.

Fraud Indicators

14. Agents reviewed the email addresses, claimant phone numbers, bank accounts and IP addresses related to the UI claims associated with IP 109 and address 154XX Eastwood St.. Agents found numerous commonalities among the claims, which are strong indicators of fraud. For instance, phone number 313-XXX-6565, was used on 5 separate UI claims in the state of Michigan. A separate phone number, 313-XXX-0424 was used on four separate UI claims in the states of Arizona, Nevada, West Virginia and Nebraska. As previously stated, the claims were all filed under a single IP address and/or listed a single residential address. Bank accounts were also used multiple times between claims. For instance, MetaBank account ending X-0747 was used in four of the 109 UI claims.

15. Agents also reviewed commonalities in the email addresses registered with the claims filed under IP 109. For instance, 18 of the 26 UI claims filed under IP 109 used an email domain belonging to “SUDOMAIL.COM”, which is known to agents as a disposable email service commonly used in fraud schemes. Although investigating agents cannot state the exact statistical likelihood that this is a random

coincidence, common judgement suggests a particular individual or particular group of individuals is responsible for the creation and utilization of the UI claims in question.

16. Based on my training and my experience with fraud and identity theft schemes targeting state UI agencies, I know that the filing of 35 distinct claims from one IP address and/or residential address in less than six months, with claims within that population having repeat phone numbers and/or repeat bank accounts are strong indicators of an identity theft and unemployment insurance fraud scheme.

UI Fraud Associated with FINCH

17. On July 17, 2020, a West Virginia UI claim was filed in the name of Eric **FINCH**, using IP 109. The address listed by the claimant was 154XX Eastwood St., Detroit, MI. The phone number listed by the claimant was 313-XXX-0424.

UI Account in S.C.'s Name

18. On June 15, 2020, an Arizona UI claim was filed in the name, SSN and D.O.B. of S.C., a real person, using IP 109. The address registered by the claimant for the mailing of a BOA UI debit card was 154XX Eastwood St., Detroit, MI, the same address used on **FINCH**'s July 17 West Virginia UI claim. The phone number registered by the claimant was 313-XXX-0424, which was

also the same phone number listed on **FINCH's** fraudulent July 17 West Virginia UI claim.

19. On or around June 23, 2020, a BOA UI debit card ending in 9852 in S.C.'s name was mailed, via USPS, to 154XX Eastwood St., Detroit, MI. On June 16, 2020, \$8,004 was deposited into the debit account, established by the Arizona DES, in S.C.'s name.

20. Records provided by the Arizona DES indicated that the claim was later flagged as fraudulent by the DES due to false employment attestations. The DES records stated there was no history of employment by S.C. in the state of Arizona.

21. BOA provided agents with ATM surveillance footage of withdrawals made from the UI debit account set up S.C.'s name on June 28, 2020 and July 1, 2020, in the Eastern District of Michigan. Based on my review of the ATM surveillance images, I have concluded that the individual in the ATM surveillance footage is **FINCH**. The image below shows **FINCH** making the withdrawal on July 1, 2020, and the adjacent photograph is a booking photo of Eric **FINCH** used for comparison purposes.



22. Probable cause exists that **FINCH** committed wire fraud, mail fraud and aggravated identity theft in connection with the fraudulent UI claim filed in S.C.'s name, and his fraudulent use of a UI debit card in S.C.'s name (that was sent through the mail) to withdraw fraudulently obtained UI funds at an ATM in the Eastern District of Michigan.

UI Account in C.H.'s Name

23. On July 14, 2020, a California UI claim was filed in the name, SSN and D.O.B. of C.H., a real person, using IP 109. The address registered by the claimant for the mailing of a BOA UI debit card was 154XX Eastwood St., Detroit, MI. The email address used by the claimant was "cherring08@sudomail.com."

24. On or around July 16, 2020, a BOA UI debit card ending in 4680 in C.H.'s name was mailed, via USPS, to 154XX Eastwood St., Detroit, MI. On June

16, 2020, \$16,194 was deposited into the debit account, established by the California EDD, in C.H.'s name.

25. BOA provided agents with ATM surveillance footage of withdrawals made from the UI debit account set up C.H.'s name between August 4, 2020 and August 13, 2020, in the Eastern District of Michigan. Based on my review of the ATM surveillance images, I have concluded that the individual in the ATM surveillance images is **FINCH**. The image below shows **FINCH** making the withdrawal on August 4, 2020



26. On July 15, 2020, a second UI claim was filed in the name, SSN and D.O.B. of C.H. in the state of Arizona, using IP 109. The email address used by the claimant was “cherring08@sudomail.com.”

27. On or around August 20, 2020, a BOA UI debit card ending in 6405 in C.H.’s name was mailed, via USPS, to 35XX Lakepointe, Detroit, MI. Between August 20, 2020 and August 26, 2020, \$14,091 was deposited into the debit account, established by the Arizona DES, in C.H.’s name.

28. BOA provided agents with ATM surveillance footage of withdrawals made from the UI debit account set up C.H.’s name between September 12, 2020 and September 18, 2020, in the Eastern District of Michigan. Based on my review of the ATM surveillance images, I have concluded that the individual in the ATM surveillance images is **FINCH**. The image below shows **FINCH** making the withdrawal on September 18, 2020



29. On October 21, 2021, FBI Special Agent Joshua Paczok interviewed victim C.H. who is a real person and s/he stated was a victim of identity theft. C.H stated s/he had not filed any UI claims in Arizona or California.

30. Probable cause exists that **FINCH** committed wire fraud, mail fraud and aggravated identity theft in connection with the fraudulent UI claim filed in C.H.'s name, and his fraudulent use of a UI debit card in C.H.'s name (that was sent through the mail) to withdraw fraudulently obtained UI funds at an ATM in the Eastern District of Michigan.

UI Account in T.C.'s Name

31. On June 15, 2020, an Arizona UI claim was filed in the name, SSN and D.O.B. of T.C., a real person, using IP 109. The address registered by the claimant for the mailing of a BOA UI debit card was 154XX Eastwood St., Detroit, MI.

32. On or around June 16, 2020, a BOA UI debit card ending in 6186 in T.C.'s name was mailed, via USPS, to 154XX Eastwood St., Detroit, MI. On June 16, 2020, \$8,121 was deposited into the debit account, established by the Arizona DES, in T.C.'s name.

33. Records provided by the Arizona DES indicated that the claim was later flagged as fraudulent by the DES due to false employment attestations. The

DES records stated there was no history of employment by T.C. in the state of Arizona.

34. BOA provided agents with ATM surveillance footage of withdrawals made from the UI debit account set up T.C.'s name between June 23, 2020 and June 29, 2020, in the Eastern District of Michigan. Based on my review of the ATM surveillance images, I have concluded that the individual in the ATM surveillance images is **FINCH**. The image below shows **FINCH** making the withdrawal on June 29, 2020.



35. Probable cause exists that **FINCH** committed wire fraud, mail fraud and aggravated identity theft in connection with the fraudulent UI claim filed in T.C.'s name, and his fraudulent use of a UI debit card in T.C.'s name (that was sent through the mail) to withdraw fraudulently obtained UI funds at an ATM in the Eastern District of Michigan.

36. Agents reviewed ATM footage related to 9 separate UI claims, 7 of which were filed from IP 109, in the states of California and Arizona. **FINCH** was witnessed withdrawing funds from all 9 accounts, which disbursed approximately \$99,699 in UI benefits. In my training and experience, this is indicative of a large-scale UI and identity theft scheme targeting various states' UI benefit programs.

CONCLUSION

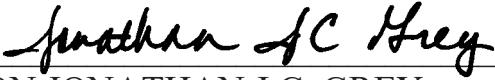
37. Based on the forgoing, there is probable cause to believe that Eric **FINCH** has committed mail fraud (18 U.S.C. § 1341), wire fraud (18 U.S.C. § 1343) and aggravated identity theft (18 U.S.C. § 1028A) in connection with a scheme to defraud the federal/state unemployment insurance programs and obtain unemployment benefits by means of false and fraudulent pretenses and representations.

Respectfully submitted,



Miguel A. Colon
Special Agent, DOL-OIG

Sworn to before me and in my presence and/or by reliable electronic means.



HON. JONATHAN J.C. GREY
United States Magistrate Judge

Date: September 7, 2022